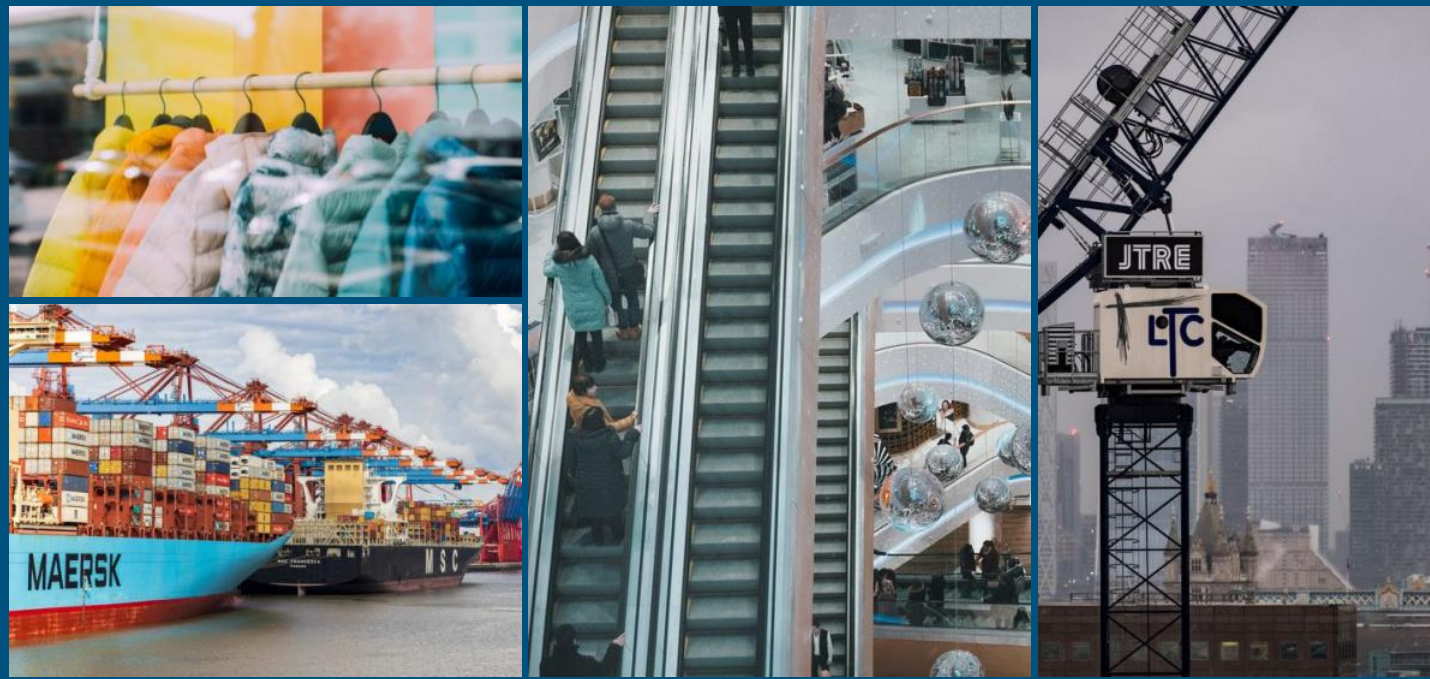




Macro & Market News

Week 29 2021 – Week ending 23/07/2021



Macro/Economic News

Week 29 2021 – Week ending 23/07/2021

Macro / Economic News (1)

Week 29 2021 – Week ending 23/07/2021

- **19 July:** All restrictions in England have been lifted from this date, including social distancing and mask wearing.
- **COVID Passports** – it was announced on Monday, July 19th that people will be required to be fully vaccinated to attend “large crowded settings” such as nightclubs from the end of September – after all over-18s have had the chance to receive both vaccine doses and develop immunity. Proof of a negative test will no longer be sufficient.
- **Polling** for The Times by YouGov suggests that 31% of people would be happy going to a party in the next few weeks, compared with 53% who said they would not be. Just over a third (34%) said they would be happy going to the theatre, but 48% would not and only 20% of people aged between 18 and 24 said that they would be happy to go to a nightclub, but 53% would not. Only 31% thought that lifting restrictions was the “right thing to do”, and 55% said it was wrong.
- **The Build Back Better: Hospitality Strategy** launched by the UK government, focuses on the “Three Rs” of reopening, recovery, and resilience. Reopening is backed by measures including highlighting opportunities in the hospitality industry to jobseekers and helping the sector address current recruitment challenges. Recovery measures include working with the government-owned British Business Bank and directly with lenders to support access to finance for hospitality firms so they can invest in their businesses. The government is also setting out ways to help the sector improve its resilience, including making hospitality a career option of choice, boosting creativity, and developing a greener sector. These include a potential new T-level to boost skills in the sector, bringing businesses together with universities to boost innovation, and reducing waste and plastic consumption. A new Hospitality Sector Council made up of industry leaders and government is being created to oversee the delivery of the strategy. The council will be co-chaired by business minister Paul Scully and Karen Jones, executive chair of Prezzo, chair of Mowgli and Hawksmoor, and non-executive director at Deliveroo. Further members will be announced in due course.
- **The High Street Regeneration Strategy** will include pavement licenses being extended for 12 months, with an intention to make them permanent. Permissions for the outdoor sale of alcohol will also be extended for 12 months until the end of September 2022, allowing takeaway pints to continue. The new high street strategy will also encourage councils to use existing powers to convert empty shops into entertainment venues or new businesses without the need for planning permission. The government also confirmed its new £150m Community Ownership Fund, helping local groups take over pubs, theatres, shops and sports clubs at risk of closure without community intervention.

Macro / Economic News (2)

Week 29 2021 – Week ending 23/07/2021

- **Unemployment** in the UK fell to 4.8% in the three months to May, down from 5.0% in the three months to February. The number of job vacancies in the three months to June exceeded that recorded prior to the pandemic. The number of employees on payroll however is still over 200,000 down on pre-pandemic levels, while a large number of workers remain on furlough.
- **GfK's** consumer confidence index in the UK has risen to minus 7 in July and is edging ahead of pre-pandemic levels. Confidence has held firm or improved for six months in a row. Personal finance expectations for the next year remain strong and there's a dramatic jump this month in the major purchase sub-measure with shoppers agreeing that now is the 'right time to buy'. The healthy seven-point rise aligns with strong retail growth figures that reflect the gradual unlocking of the UK high street and release of pent-up demand as Brits hit shops, restaurants and venues.



Market News

Week 29 2021 – Week ending 23/07/2021

Market News (1)

Week 29 2021 – Week ending 23/07/2021

- **Boparan Restaurant Group (BRG)** will open its multi-brand dining destination The Restaurant Hub at the Sainsbury's superstore in Selly Oak Boulevard in Birmingham on Wednesday, 28 July. The Hub will feature Caffè Carluccio's concept; Gourmet Burger Kitchen; Slim Chickens; Ed's Easy Diner; and, in collaboration with Deep Blue Restaurants, Harry Ramsden's. The Restaurant Hub will be a 180-cover communal dining space allowing guests to mix and match dishes from any of the participating brands, for both dining-in and home delivery.
- **Five Guys** is to launch a new flagship site in London on Bishopsgate.
- **McDonald's** is rolling out reusable "rented" coffee cups that customers return after drinking – saving them 20p and helping the environment. Customers pay a £1 deposit – but they get it back, either in cash or as a credit on an app, when they return the cup. They can return it at the restaurant right after drinking, on their next visit or other soon-to-be rolled out drop off points provided by Loop in Tesco. If a customer forgets their cup at their next visit, they can pay another £1 deposit and return both cups next time. The cups are made of special plastic – engineered polypropylene – with recycled paper cup material inside for insulation. Eventually, the idea is that washing centres will replace recycling plants and other forms of waste management as more and more restaurants and shops embrace reusable packaging. Down the line, the coffee cup scheme will be included in the MyMcDonald's app, but for now customers order in shops or via drive-thru. The trial is at six McDonald's – four in Northampton and two in nearby Wellingborough. The hope is to roll it out to all 1,300 restaurants in the UK and eventually the 36,000 globally.
- **Chopstix**, the pan-Asian quick service restaurant concept, is hoping to hit the 100-store mark in the UK in about 18 months' time.
- **KFC UK** has opened a new flagship restaurant in the former PizzaExpress premises in Charing Cross Road situated next to the entrance to the Leicester Square tube station.
- **Chili's** owner, US restaurant group Brinker International is looking to launch the brand in the UK and believes it could open in excess of 100 sites. Chili's currently operates circa 1,600 in the Americas, Asia and the Middle East. Outside the US, all 350 Chili's restaurants are licensee-owned and operated. This will continue for the UK where Chili's is seeking licensee candidates who have F&B experience. Chili's has units in place from 100 to 600 square metres around the world. These vary from counter service to grab-and-go, kiosks, mobile units, airports to full-service restaurants with a sports bar approach.

Market News (2)

Week 29 2021 – Week ending 23/07/2021

- **Pizza Hut Delivery** has announced the launch of a gaming arm of the brand – Pizza Hut Gaming. The brand aims to deliver some “exciting influencer activations involving some top names in the scene”. Events will begin with regular community tournaments across a variety of key gaming titles, with the end goal of becoming the go-to pizza for gamers. At launch, Pizza Hut Gaming is running its first giveaway where new Twitter followers will have the chance to win meals. The campaign will reward a free pizza for every 100 followers gained. Pizza Hut Gaming’s first dedicated activation will take place this summer, with an additional four due to be delivered across 2021 and 2022
- **Wagamama** is offering free katsu curry to university students who have graduated. The brand will offer the dish to a limited number of graduates across 20 of its restaurants on Wednesday (21 July) and Thursday (22 July). The first 20 students through the doors of participating stores on each of the two days will receive a free curry. All they need to do is prove they are a student.
- **Britvic** has seen its revenue surge since restrictions eased. Revenue at the company was up 22.8% to £384.8m in its third-quarter trading across all its units. In total, however, the company’s revenue has lifted to just over £1bn in the year to 30 June. Although Britvic had strong home-based sales, carried by supermarket retail, it said the UK easing of restrictions has led to a “significantly improved” performance. Pre-pandemic, the company benefited from on-the-go consumption. The recovery of the out-of-home channel in Ireland lags the UK, reflecting the different paths out of lockdown.



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